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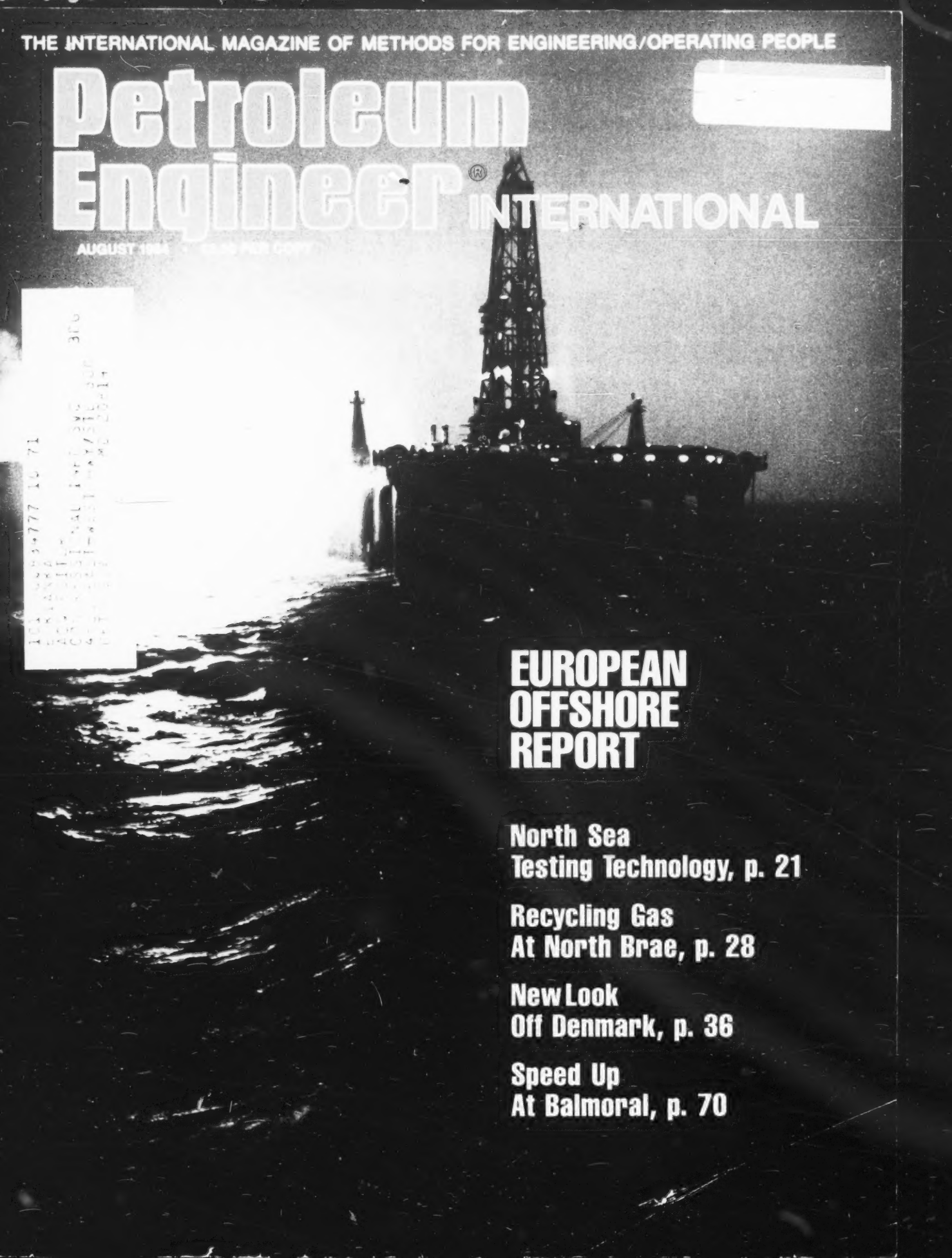

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Average U.S. Rotary Rig Count Moving Up

Despite a hint of indecisiveness in late June and early July, U.S. drillers succeeded in turning around the year's average rig count which had been on a steady decline ever since the January 9 count of 2,724.

Low point for the year came on June 4, when the year-long average dipped to 2,349.3. By mid-July, the count had risen above 2,353 although twice during that period the rig count experienced declines from the previous week's count.

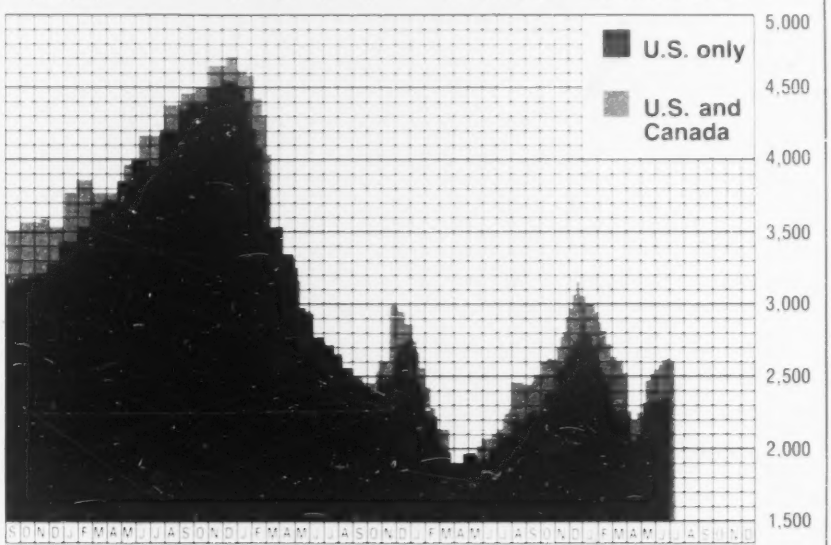
In 1983, the midyear rig count stood at 2,108, some 244 rigs lower than the count this year after 26 weeks. Completions, however, were only slightly higher this year. Petroleum Information Corp. reported last month that 41,438 wells were drilled in the U.S. during the first half of 1984. That is only 67 more wells than were credited to the first 6 months of 1983.

PI adds that the number of oil discoveries this year is higher, but gas discoveries are down sharply, reflecting decreased emphasis on gas exploration.

Rotary rigs actually making hole in United States & Canada

As Reported To International Association Of Drilling Contractors By Hughes Tool Co.

	June 18, 1984	June 25, 1984	July 2, 1984	July 9, 1984
Alabama				
Land	9	8	7	8
Inland Waters	2	2	2	2
Offshore	2	2	2	2
Alaska				
Land	8	8	7	8
Off-shore	1	1	1	2
Total	9	9	8	10
Arkansas	25	22	24	23
Arizona	1	1	1	1
California				
Land	81	84	97	96
Offshore	15	12	13	14
Total	96	96	110	110
Colorado	47	51	51	51
Florida	3	3	6	6
Hawaii	1	1	1	1
Idaho	1	1	1	1
Illinois	53	53	53	54
Indiana	6	7	6	7
Kansas	127	127	129	129
Kentucky	11	11	11	11
North Louisiana	29	28	29	26
South Louisiana				
Inland Waters	54	56	57	55
Land	85	86	83	83
Off-shore	122	117	110	115
Total	261	259	250	253
Michigan	33	33	28	28
Mississippi	26	33	26	25
Montana	33	33	33	37
Nebraska	8	8	8	12
Nevada	6	3	3	4
New Jersey	1	1	1	1
New Mexico	70	71	73	72
New York	10	10	9	9
North Dakota	53	53	54	52
Ohio	45	45	46	47
Oklahoma	299	316	312	316
Pennsylvania	37	36	37	35
South Carolina	1	1	0	0
South Dakota	1	1	1	3
Tennessee	0	0	1	1
Texas				
Offshore	64	69	67	68
Inland Waters	4	3	0	1
Dist. 1-S. Central Tex.	16	20	19	17
Dist. 2-Middle Tex. Coast	31	22	27	25
Dist. 3-Upper Tex. Coast	100	105	104	107
Dist. 4-Lower Tex. Coast	80	75	74	68
Dist. 5-Northeast Tex.	32	33	33	25
Dist. 6-Far Northeast Tex.	67	76	77	77
Dist. 7B-N. Central Tex.	53	52	43	46
Dist. 7C-W. Central Tex.	44	52	53	52
Dist. 8-Far West Tex.	156	158	151	148
Dist. 8A-West Tex.	86	67	68	65
Dist. 9-North Tex.	74	73	81	77
Dist. 10-Tex. Panhandle	57	59	51	48
Total	864	866	848	824
Utah	40	41	40	39
Virginia	3	3	3	3
Washington	0	0	1	1
West Virginia	42	41	39	47
Wyoming	108	110	103	108
Total U.S.	2,360	2,401	2,367	2,371
Canada	214	245	243	250
Canada-Off-shore	14	13	14	15
U.S. and Canada	2,588	2,659	2,624	2,639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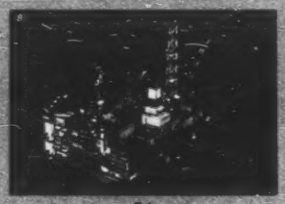

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EUROPEAN OFFSHORE REPORT

Petroleum Engineer International's drilling editor, Steven D. Moore, traveled extensively throughout Western Europe earlier this year to gather information about noteworthy oil and gas activities underway or beginning in European waters. The five articles resulting from those travels comprise the European Offshore Report that is the theme of this month's issue of PEI. Written by Mr. Moore, the articles begin on pages 21, 28, 36, 48, and 70.

BP Pushes Ahead With North Sea Projects 21

Undertakings that are putting the company's technological and engineering know-how to the test involve old and new fields, as well as conceptual plans for fields yet to be exploited.

Marathon Readies For North Brae Development 28

Total weight of the conventional steel platform, designed for a 325-ft water depth, will be 66,000 tons, including piles. The topsides will provide room for two drilling rigs and 240 people.

Offshore Denmark Picks Up Steam 36

An interconnecting pipeline system between production complexes will allow natural gas production to be exported for the first time. It also will provide DUC with a new way to route oil to shore.

KCA Drilling Combats Freak Seas 48

Underwater waves surging against each other from opposite directions in the western Mediterranean Sea are caused, in part, by differing densities of waters near the Strait of Gibraltar.

Modern Production Risers, Part 12 52

by George W. Morgan, Engineering Consultant. For those regions of the world subjected to extreme weather conditions, careful equipment design is essential.

Electrical Submersible Pump Teardown Inspection, Part 5 66

by James F. Lea, Amoco Production Co., and William J. Powers, TRW Reda. Post-run inspection can lead to identification of problems and selection of more suitable equipment.

Balmoral Field Activity Speeds Up 70

State-of-the-art technology includes the first purpose-built floating production vessel, plus a flexible riser system for communication between a seafloor template and the FPV.

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ABOUT THE COVER: A delineation well is being tested at North Sea Sun Oil Co. Ltd.'s Balmoral field in the North Sea. See full story on page 70.

NEXT MONTH: Improved efficiencies resulting from better technologies are highlighted in the Drilling Technology Report in September.